STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA

January 1, 2004 to December 31, 2004

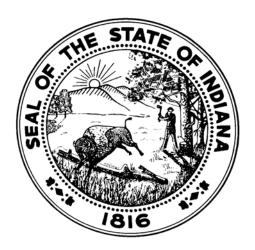


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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Gerald Coleman	01-06-02 to 02-29-04
verilloide dell'illiabilett	Mary DePrez Joel Silverman	03-01-04 to 01-09-05 01-10-05 to 01-11-09
Branch Manager	Connie Smuts Tammy Sanders-Miller	01-01-04 to 09-15-05 10-01-05 to 12-31-05



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 10 (Branch) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 14, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS January 1, 2004 to December 31, 2004

	Amount
Collections: Registrations Titles Drivers licenses Watercraft Miscellaneous	\$ 979,187 247,042 43,639 27,731 400
Total	\$ 1,297,999
Distributions: State fees County tax Commission fees	\$ 596,264 572,112 129,623
Total	\$ 1,297,999

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA

STATISTICAL INFORMATION January 1, 2004 to December 31, 2004

Transactions Processed	Quantity
Valida varietystiana	
Vehicle registrations:	E 214
Passenger Motorcycle	5,314 324
RV (housecar)	147
Light truck	2,798
Other truck	2,798
Farm truck	136
Tractor	47
Trailer	1,228
Semitrailer	184
School and church bus	21
Other	22
Other	
Total vehicle registrations	10,320
Drivers licenses and permits:	
Drivers licenses/learners permits	1,930
CDL licenses/CDL permits	150
Placards	205
Other	1,047
Total drivers licenses and permits	3,332
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Titles:	
Vehicles	3,623
Watercraft	47
Wateroran	
Total titles	3,670
Total watercraft registrations	342

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2004. The inventory was not taken in the proper order, nor were the proper inventory forms used. On January 4, 2005, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that several additional items had not been included in the year end inventory. A similar comment was noted in prior Examination Report B24319.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by BMV Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 1, 2004, from the Audit Services Director)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold. A similar comment was noted in prior Examination Report B24319.

Year	Plate Type	Plate Numbers
2005	Trailer 3,000	556415A
2005	Trailer 9,000	34543V
2005	Trailer 12,000	2447D
2008	Semitrailer (permanent)	584370 to 584371
2008	Semitrailer (permanent)	584862 to 584865

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION LICENSE BRANCH NUMBER 10 BERNE, INDIANA EXIT CONFERENCE

The contents of this report were discussed on December 14, 2005, with Tammy Sanders-Miller, Branch Manager; and on December 20, 2005, with Connie Smuts, former Branch Manager.